



Commonwealth of Massachusetts
DEPARTMENT OF HOUSING &
COMMUNITY DEVELOPMENT

Mitt Romney, Governor ♦ Kerry Healey, Lt. Governor ♦ Jane Wallis Gumble, Director

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

DETAILED MODEL PLAN

PUBLIC LAW 97-35, AS AMENDED

FISCAL YEAR 2007

GRANTEE: COMMONWEALTH OF MASSACHUSETTS

EIN: 1-046002284-K4

**ADDRESS: Department of Housing and Community Development
Division of Community Services
Community Services Unit
100 Cambridge Street, Suite 300
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PLEASE CHECK ONE: TRIBE: _____ STATE: X INSULAR AREA: _____

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES
OFFICE OF COMMUNITY SERVICES
WASHINGTON, D.C. 20447**

August 1987, revised 5/92, 2/95, 3/96, 12/98, 11/01

FY 2007 LIHEAP DRAFT STATE PLAN

OMB Approval No. 970-0075

Expiration Date: 10/31/2008

GRANTEE Commonwealth of Massachusetts FFY 2007

Assurances

The Commonwealth of Massachusetts agrees to:
(grantee name)

(1) use the funds available under this title to--

(A) conduct outreach activities and provide assistance to low income households in meeting their home energy costs, particularly those with the lowest incomes that pay a high proportion of household income for home energy, consistent with paragraph (5);

(B) intervene in energy crisis situations;

(C) provide low-cost residential weatherization and other cost-effective energy-related home repair; and

(D) plan, develop, and administer the State's program under this title including leveraging programs,

and the State agrees not to use such funds for any purposes other than those specified in this title;

(2) make payments under this title only with respect to--

(A) households in which one or more individuals are receiving--

(i) assistance under the State program funded under part A of title IV of the Social Security Act;

(ii) supplemental security income payments under title XVI of the Social Security Act;

(iii) food stamps under the Food Stamp Act of 1977; or

(iv) payments under section 415, 521, 541, or 542 of title 38, United States Code, or under section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978; or

(B) households with incomes which do not exceed the greater of—

(i) an amount equal to 150 % of the poverty level for such State; or

(ii) an amount equal to 60 % of the State median income;

except that a State may not exclude a household from eligibility in a fiscal year solely on the basis of household income if such income is less than 110 % of the poverty level for such State, but the State may give priority to those households with the highest home energy costs or needs in relation to household income.

(3) conduct outreach activities designed to assure that eligible households, especially households with elderly individuals or disabled individuals, or both, and households with high home energy burdens, are made aware of the assistance available under this title, and any similar energy-related assistance available under subtitle B of title VI (relating to community services block grant program) or under any other provision of law which carries out programs which were administered under the Economic Opportunity Act of 1964 before the date of the enactment of this Act;

(4) coordinate its activities under this title with similar and related programs administered by the Federal Government and such State, particularly low-income energy-related programs under subtitle B of title VI (relating to community services block grant program), under the supplemental security income program, under part A of title IV of the Social Security Act, under title XX of the Social Security Act, under the low-income weatherization assistance program under title IV of the Energy Conservation and Production Act, or under any other provision of law which carries out programs which were administered under the Economic Opportunity Act of 1964 before the date of the enactment of this Act;

(5) provide, in a timely manner, that the highest level of assistance will be furnished to those households which have the lowest incomes and the highest energy costs or needs in relation to income, taking into account family size, except that the State may not differentiate in implementing this section between the households described in clauses 2(A) and 2(B) of this subsection;

(6) to the extent it is necessary to designate local administrative agencies in order to carry out the purposes of this title, to give special consideration, in the designation of such agencies, to any local public or private nonprofit agency which was receiving Federal funds under any low-income energy assistance program or weatherization program under the Economic Opportunity Act of 1964 or any other provision of law on the day before the date of the enactment of this Act, except that—

(A) the State shall, before giving such special consideration, determine that the agency involved meets program and fiscal requirements established by the State; and

(B) if there is no such agency because of any change in the assistance furnished to programs for economically disadvantaged persons, then the State shall give special consideration in the designation of local administrative agencies to any successor agency which is operated in substantially the same manner as the predecessor agency which did receive funds for the fiscal year preceding the fiscal year for which the determination is made;

(7) if the State chooses to pay home energy suppliers directly, establish procedures to --

(A) notify each participating household of the amount of assistance paid on its behalf;

(B) assure that the home energy supplier will charge the eligible household, in the normal billing process, the difference between the actual cost of the home energy and the amount of the payment made by the State under this title;

(C) assure that the home energy supplier will provide assurances that any agreement entered into with a home energy supplier under this paragraph will contain provisions to assure that no household receiving assistance under this title will be treated adversely because of such assistance under applicable provisions of State law or public regulatory requirements; and

(D) ensure that the provision of vendor payments remains at the option of the State in consultation with local grantees and may be contingent on unregulated vendors taking appropriate measures to alleviate the energy burdens of eligible households, including providing for agreements between suppliers and individuals eligible for benefits under this Act that seek to reduce home energy costs, minimize the risks of home energy crisis, and encourage regular payments by individuals receiving financial assistance for home energy costs;

(8) provide assurances that,

(A) the State will not exclude households described in clause (2)(B) of this subsection from receiving home energy assistance benefits under clause (2), and

(B) the State will treat owners and renters equitably under the program assisted under this title;

(9) provide that--

(A) the State may use for planning and administering the use of funds under this title an amount not to exceed 10 % of the funds payable to such State under this title for a fiscal year; and

(B) the State will pay from non-Federal sources the remaining costs of planning and administering the program assisted under this title and will not use Federal funds for such remaining cost (except for the costs of the activities described in paragraph (16));

(10) provide that such fiscal control and fund accounting procedures will be established as may be necessary to assure the proper disbursement of and accounting for Federal funds paid to the State under this title, including procedures for monitoring the assistance provided under this title, and provide that the State will comply with the provisions of chapter 75 of title 31, United States Code (commonly known as the "Single Audit Act");

(11) permit and cooperate with Federal investigations undertaken in accordance with section 2608;

(12) provide for timely and meaningful public participation in the development of the plan described in subsection (c);

(13) provide an opportunity for a fair administrative hearing to individuals whose claims for assistance under the plan described in subsection (c) are denied or are not acted upon with reasonable promptness; and

(14) cooperate with the Secretary with respect to data collecting and reporting under section 2610.

(15) * beginning in fiscal year 1992, provide, in addition to such services as may be offered by State Departments of Public Welfare at the local level, outreach and intake functions for crisis situations and heating and cooling assistance that is administered by additional State and local governmental entities or community-based organizations (such as community action agencies, area agencies on aging and not-for-profit neighborhood-based organizations), and in States where such organizations do not administer functions as of September 30, 1991, preference in awarding grants or contracts for intake services shall be provided to those agencies that administer the low-income weatherization or energy crisis intervention programs.

*** This assurance is applicable only to States, and to territories whose annual regular LIHEAP allotments exceed \$200,000. Neither territories with annual allotments of \$200,000 or less nor Indian tribes/tribal organizations are subject to Assurance 15.**

(16) use up to 5 % of such funds, at its option, to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance, including needs assessments, counseling, and assistance with energy vendors, and report to the Secretary concerning the impact of such activities on the number of households served, the level of direct benefits provided to those households, and the number of households that remain unserved.

Certification to the Assurances: As Chief Executive Officer, I agree to comply with the sixteen (16) assurances contained in Title XXVI of the Omnibus Budget Reconciliation Act of 1981, as amended.* By signing these assurances, I also agree to abide by the standard assurances on lobbying, debarment and suspension, and a drug-free workplace.

Signature of the Tribal or Board Chairperson or Chief Executive Officer of the State or Territory.**

Signature: _____

Title: _____ Director, Department of Housing and Community Development

Date: _____

*** Indian tribes/tribal organizations, and territories with annual regular LIHEAP allotments of \$200,000 or less, are not subject to assurance 15, and thus must only certify to 15 assurances.**

**** If a person other than the Chief Executive Officer of the State or territory, or Tribal Chairperson or Board Chairperson of a tribal organization, is signing the certification to the assurances, a letter must be submitted delegating such authority. (PLEASE ATTACH DELEGATION of AUTHORITY.) The delegation must include authority to sign the assurances, not just to administer the program.**

***** HHS needs the EIN (Entity Identification Number) of the State, territory or Tribal agency that is to receive the grant funds before it can issue the grant.**

In the above assurances which are quoted from the law, "State" means the 50 States, the District of Columbia, an Indian Tribe or Tribal Organization, or a Territory; "title" of the Act refers to Title XXVI of the Omnibus Budget Reconciliation Act of 1981 (OBRA), as amended, the "Low Income Home Energy Assistance Act"; "section" means Section 2605 of OBRA; and, "subsection" refers to Section 2605(b) of OBRA.

**COMMONWEALTH OF MASSACHUSETTS
LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)
FY 2006 APPLICATION/STATE PLAN**

I. INTRODUCTION

In accordance with the "Low Income Home Energy Assistance Act of 1981" and subsequent amendments, the Governor of the Commonwealth of Massachusetts has designated Jane Wallis Gumble, Director, Department of Housing and Community Development (DHCD), as his designee to submit to the Department of Health and Human Services (HHS) this Application/State Plan for the Federal Low Income Home Energy Assistance Program for Fiscal Year 2007. The Governor has designated the Department of Housing and Community Development as the single state agency to administer this program.

The address of the state administering agency is:

Department of Housing and Community Development

Attention: Jane Wallis Gumble, Director

100 Cambridge Street, Suite 300

Boston, MA 02114

(617) 573-1100

Copies of correspondence should also be sent to:

Department of Housing and Community Development

Division of Community Services

Community Services Unit

Attention: Theresa Brewer, Director of Community Services Programs

100 Cambridge Street, Suite 300

Boston, MA 02114

Phone: (617) 573-1100

Fax: (617) 573-1460

E-mail: theresa.brewer@state.ma.us

PROGRAM SUMMARY AND HIGHLIGHTS

The funding picture for FY 2007 had not been finalized before the preparation of this Plan. However, the federal budget for FY 06 was \$2 billion nationally. This amount provided Massachusetts with approximately \$82.7 million. Massachusetts expects to operate its LIHEAP program with some minor revisions. The benefit matrix will continue to have maximum benefits, and payment will be based on actual bills for energy use up to the maximum for each household as determined by poverty level category.

The benefit groupings, designed to allow for improved targeting of resources to those with lowest incomes and potentially greatest energy burden, have been enhanced to accommodate the highest energy burden and need. Those households with income of 0-100% of poverty receive the highest maximum benefit. The benefit levels themselves have been based on average heating costs for designated income groups, as well as the anticipated funding level for the program. The cost/benefit information was drawn from background analysis performed as part of a benefit distribution study conducted by the Massachusetts Institute of Social and Economic Research.

In anticipation of a grant of approximately \$82.7 million for FY 2007 plus the HHS leveraging grant, Massachusetts is proposing the program and benefits as outlined below. These plans will be subject to final federal fund availability, but represent the most appropriate contingency at this point in time.

The following summary contains key aspects of the FY '07 LIHEAP in Massachusetts:

- **Program Year:** Will extend from October 1, 2006, to September 30, 2007; heating benefits are available from November 1, 2006 through April 30, 2007.
- **Benefit Levels:** Shown in Attachment B. They are based on a proposed national appropriation of \$2 billion (approximately \$82.7 million for Massachusetts) and estimated, weighted consumption averages that result in a cost-based benefit matrix.

NOTE: Benefit levels are subject to change based on final availability of federal funds.

- **Leveraging Initiatives:** For deliverable fuels, the Margin-Over-Rack (MOR) oil pricing method and the Haverhill Area Oil Bid Program will continue as the major oil savings initiatives. The MOR has a set margin of thirty (30) cents per gallon above the daily average price of oil as reported by the Oil Price Information Service (OPIS) which provides a daily oil price report.

On the utility side, DHCD's Community Services Unit (CSU) within the Division of Community Services (DCS) will continue to be active in the settlement and implementation of reduced rate offerings for fuel assistance recipients. Standardization in the enrollment process and billing procedures will be sought for the Subgrantee network.

NOTE: During FY 2006, Massachusetts leveraged over \$66 million in non-federal resources, for which it has been awarded \$705,121 from the Department of Health and Human Services Leveraging Incentive Fund. These funds were included as benefits for eligible households. (See Section VII of this application for a description of leveraging activities.)

- **HEARTWAP (Heating Emergency Assistance Retrofit Task Weatherization Assistance Project) Support:** The heating system repair/replacement component will receive a commitment of \$8.5 million from LIHEAP funds. This allocation will fund "essential repairs" for fuel assistance eligible households.

II. STATEMENT OF STATUTORY ASSURANCES

I certify that the Commonwealth of Massachusetts will comply with the 16 assurances contained in Title XXVI, section 2505(b) of the Omnibus Budget Reconciliation Act of 1981 as amended, in the administration of its Low Income Home Energy Assistance Program.

Certification to the Assurances

Signature of Chief Executive Officer of the State or Designee

Signature: _____

Title: Director, Department of Housing and Community Development

Date: _____

Employer Identification Number: 1-046002284-K4

These assurances, together with a description of how Massachusetts intends to carry out specific assurances, and all other application provisions and requirements are set forth in the following application.

III. PURPOSE/ALLOCATION OF FUNDS

A. Distribution of Funds

LIHEAP funds will be allocated using a historical formula developed when LIHEAP was originally established. The U.S. Department of Health and Human Services (HHS) awards LIHEAP block grant funds by formula to the 50 states and District of Columbia, federally- or state-recognized Indian tribes and tribal organizations, and insular areas. The LIHEAP statute authorizes the use of funds derived for the following types of energy assistance:

- Home energy assistance
- Energy crisis intervention or crisis assistance
- Low-cost residential weatherization and other energy-related home repair

The LIHEAP statute authorizes the use of block grant funds for other uses including:

- Administrative/planning costs (up to 10%)
- Carryover of funds to subsequent fiscal year (up to 10% of “funds payable”)
- Identification, development and demonstration of leveraging programs
- Obligation of leveraging incentive funds
- Assurance 16 activities (up to 5%)

B. Use of Contingency Funds

The contingency funds may be used for any purpose authorized under LIHEAP including heating assistance, crisis assistance, weatherization, administrative costs, and carryover, subject to normal LIHEAP restrictions. The contingency funds will be added to the regular block grant allocation for the current fiscal year to determine limits on weatherization, administration and planning costs, and Assurance 16 activities.

Massachusetts has traditionally used contingency funds to increase benefit levels, but may, at its discretion, use funding for such activities as providing additional crisis assistance, making supplemental payments, increasing weatherization and Assurance 16 activities, and other activities allowable under the LIHEAP statute.

C. Allocation of State Funding

Any state supplement to the federal Low Income Home Energy Assistance Program will be used for the purposes of assisting low-income households with the purchase of heating oil, propane, natural gas and electricity. Distribution of state funds will be made on the same basis as federal funds in determining subgrantee allocations. State funds will be used as a last resort once federal awards are exhausted, and expenditures will be made in accordance with the State Plan submitted by DHCD to HHS.

The grantee will operate the following components under its LIHEAP Program:

• **STATUTORY REFERENCE: 2605 (a), 2605 (b)(1) USE OF FUNDS**

X heating assistance
— cooling assistance
X crisis assistance *
X weatherization assistance

**Massachusetts integrates crisis assistance into its overall heating assistance component via a "fast-track" response system.*

• **STATUTORY REFERENCE: 2605(a), 2605(b)(1) PROGRAM DURATION**

The projected dates for accepting applications and closing the program are as follows:

| | |
|--------------------|-----------------------------|
| heating assistance | <u>11/1/06 to 4/30/07</u> |
| cooling assistance | <u>N/A</u> |
| crisis assistance | <u>11/1/06 to 4/30/07</u> |
| weatherization | <u>10/01/06 to 09/30/07</u> |

• **STATUTORY REFERENCE: 2605(c)(1)(c), 2605(c)(1)(F) ALLOCATION OF FUNDS**

The grantee estimates the amount of available LIHEAP funds* will be expended as follows:

71 % heating assistance
n/a % cooling assistance
3 % crisis assistance (set aside)
11 % weatherization assistance
0.0 % carryover to the following fiscal year
10.0 % administrative and planning costs
5 % services to reduce home energy needs including needs assessment (Assurance 16)
0.0 % used to develop and implement leveraging activities (\$35,000) (limited to the greater of 0.08% or \$35,000 or \$35,000 for states, the greater of 2% or \$100 for territories, tribes and tribal organizations)
0.0 % Heat-Eat Assistance Program (H-EAT) - see page 19.
100% TOTAL

**Based on a proposed federal allocation of \$82.7 million.*

• **STATUTORY REFERENCE: 2605(c)(1)(C) ALTERNATE USES OF CRISIS ASSISTANCE FUNDS**

The funds reserved for winter crisis assistance which have not been expended by March 15 will be reprogrammed to:

- ☒ heating assistance
- ☐ cooling assistance
- ☐ weatherization assistance
- ☐ Other (specify):

Do you accept applications for energy crisis assistance at sites that are geographically accessible to all households in the area to be served?

YES; All fuel assistance agencies are accessible and provide for the energy crisis assistance.

IV. ELIGIBILITY REQUIREMENTS

The grantee's maximum eligibility limits are:

NOTE: Eligibility applies to heating, crisis assistance, and LIHEAP Weatherization Assistance.

• **STATUTORY REFERENCE: 2605(b)(2), 2605(c)(1)(A)**

- ☐ 150% of the OMB poverty guidelines for each of the components under the grantee's LIHEAP Program.
- ☐ 125% of the OMB poverty guidelines for each of the components under the grantee's LIHEAP Program.
- ☐ 110% of the OMB poverty guidelines for each of the components under the grantee's LIHEAP Program.
- ☐ 60% of the State's median income for each of the components under the grantee's LIHEAP Program.
- ☒ Other – variable levels of the state median income, maximizing at 60%, to equate with federal poverty levels up to 200%. LIHEAP Weatherization services are restricted to households with incomes up to 200% of the federal poverty level, but not to exceed 60% (depending on household size) of the state median income.
- ☐ Households automatically eligible if one person is receiving ☐ TANF, ☐ SSI, ☐ Food Stamps, ☐ Certain Means tested veterans' programs (heating ☐ cooling ☐ crisis ☐ wx ☐)

• **STATUTORY REFERENCE: 2605(c)(1)(A) 2605 (b) (2) HEATING ASSISTANCE**

Do you have additional eligibility requirements for Heating Assistance? YES

The grantee has set the following additional eligibility requirements for each LIHEAP component:

| | <u>Yes</u> | <u>No</u> |
|---|------------|-----------|
| Assets Test | — | <u>X</u> |
| Do you give priority in eligibility to: | | |
| Elderly | — | <u>X</u> |
| Disabled | — | <u>X</u> |
| Young Children | — | <u>X</u> |

Other (specify):

Subsidized housing tenants eligible:

| | | |
|-----------------------------|----------|-----------|
| If heat is included in rent | — | <u>X*</u> |
| If heat is paid directly | <u>X</u> | — |

DHCD will continue to review operational procedures and practices to ensure compliance with administrative guidelines and to develop a policy recommendation concerning program eligibility and assets.

** These households are eligible for assistance if total rent payment exceeds 30% of household income.*

• **STATUTORY REFERENCE: 2605(c)(1)(A), 2605(b)(2) COOLING ASSISTANCE**

Do you have additional eligibility requirements for Heating Assistance?

Not Applicable.

• **STATUTORY REFERENCE: 2604 (c) 2605(c) (1) (A) CRISIS ASSISTANCE**

Do you have additional eligibility requirements for Heating Assistance? YES

| Additional Information | <u>Yes</u> | <u>No</u> |
|-------------------------------|------------|-----------|
| Assets Test | — | <u>X</u> |

Do you give priority in eligibility to:

| | | |
|----------------|---|----------|
| Elderly | — | <u>X</u> |
| Disabled | — | <u>X</u> |
| Young Children | — | <u>X</u> |

Other:

Subsidized housing tenants eligible:

| | | |
|--|----------|-----------|
| If heat is in rent | — | <u>X*</u> |
| If heat is paid directly | <u>X</u> | — |
| Household must have received a shut-off notice or have an empty tank | <u>X</u> | — |
| Household must have exhausted regular benefit | — | <u>X</u> |
| Household must have received a rent eviction notice | <u>X</u> | — |
| Heating must be medically necessary | — | <u>X</u> |
| Additional: (Specify Below) | — | <u>X</u> |

**Limited eligibility as described in above "Heating Assistance."*

What constitutes a crisis?

The crisis intervention component of Massachusetts' LIHEAP has been developed as a "fast-track" system, integrated into the heating assistance program, for prioritizing and expediting service to households experiencing heating emergencies. The purpose of this "fast-track" system is to provide swift response to heating emergencies, while steering applicants into the mainstream heating assistance component with full benefits. Emergency applications are given priority at all intake and processing steps. Local Administering Agencies (LAAs) are required to provide for emergency service within 18 hours of the eligible household's application or request, in accordance with the statute and corresponding procedures outlined in the FY 2007 Administrative Guidance.

The criteria for designating an emergency are as follows:

- a. no heat for any reason, including heating system failure
- b. imminent loss of heat, due to:

- less than 3-day supply of fuel (e.g., reading of 1/8 tank or less on a standard 275 gallon heating oil tank; "3-day or less" supply standard applies to other delivered fuels)

OR

- possession of final notice of utility termination for the primary heat source, or for a secondary source necessary to operate the primary heating system, when termination is scheduled to occur between November 1, 2006 and April 30, 2007

OR

- threatened eviction within 72 hours for renter whose rent includes heat

Households will make application for the program using the standard LIHEAP application form. The households will have their incomes determined under the regular LIHEAP income standards. The current benefit matrix (revised) will apply to the households determined eligible.

Since the inception of LIHEAP, Massachusetts has attempted to decrease from year to year the number of crisis situations experienced by low-income households. Emphasis on prompt filing of applications, timely certification of eligibility by LAAs, and prompt vendor payment have contributed to streamlining the process for LIHEAP operations and the clients' receipt of timely, uninterrupted service. LAAs work closely with energy vendors to insure appropriate response to crisis situations during the entire program period.

The mail recertification process is designed to move applicants into the program in a timely fashion. This process greatly minimizes the incidence of crisis situations from this population, as their eligibility is determined prior to the November 1st delivery period.

• **STATUTORY REFERENCE: 2605(c)(1)(A) WEATHERIZATION ASSISTANCE**

Do you have additional eligibility requirements for Heating Assistance? YES

| | <u>Yes</u> | <u>No</u> |
|---|------------|-----------|
| Assets Test | — | <u>X</u> |
| Do you give priority in eligibility to: | | |
| Elderly | — | <u>X</u> |
| Disabled | — | <u>X</u> |
| Young Children | — | <u>X</u> |

Other (specify):

Subsidized housing tenants eligible:

| | | |
|--|----------|----------|
| If heat is included in rent | <u>X</u> | |
| If heat is paid directly | <u>X</u> | ___ |
| Restricted eligibility for group living arrangements | <u>X</u> | ___ |
| Restricted eligibility for non-subsidized renters | ___ | <u>X</u> |
| Higher eligibility maximum for elderly/handicapped | ___ | <u>X</u> |
| Other: (Specify below) | ___ | <u>X</u> |

Are you using Department of Energy (DOE) Low Income Weatherization Assistance Program (LIWAP) rules to establish eligibility or to establish priority eligibility for households with certain characteristics?

No; Eligibility is based on LIHEAP income eligibility and need for the specific weatherization services provided by the Massachusetts HEARTWAP.

• **STATUTORY REFERENCE: 2605(b)(3), 2605(c) (3) (A) OUTREACH**

The subgrantee conducts the following outreach activities designed to assure that eligible households are made aware of all LIHEAP assistance available:

- X provide intake service through home visits or by telephone for the physically infirm (i.e., elderly or disabled).
- X place posters/flyers in local and county social service agencies, offices of aging, social security officers, VA, etc.
- X publish articles in local newspapers or media announcements are aired.
- X include inserts in energy vendor billings to inform individuals of the availability of all types of LIHEAP assistance.
- X make mass mailing (including application) to past recipients of LIHEAP.
- X inform low income applicants of the availability of all types of LIHEAP assistance at application intake for other low-income programs.
- X execute interagency agreements with other low-income program offices to perform outreach to target groups.

X Other (Please specify):

- utilize early application period at the beginning of the program.
- accept applications for energy crisis at sites that are geographically accessible to all households in the area to be served.

NOTE: *All of the activities listed above are carried out in varying degrees by the LAA network. The Administrative Guidance for Program Operators outlines mandated outreach activities.*

Subgrantees are also required to maintain accessible intake sites, home visit capacity, general publicity, bilingual assistance for applicants, and use of existing networks to reach target households. The use of mail recertification reduces the need and demand for home visits to elderly and disabled households. Subgrantees are instructed to target high-risk groups within their service areas, including the limited English proficiency population.

The CSU will maintain working relationships with other agencies such as the Department of Transitional Assistance and the Executive Office of Elder Affairs, which will assist in program outreach activities. Local agencies are also encouraged to develop such networks.

As for additional steps taken to target households with high home energy burdens, CSU and its network have traditionally promoted the program to those facing high energy bills and/or financial limitations. As an example, the customer service departments of local utilities and the Consumer Division of the State Department of Telecommunications and Energy (DTE) often refer situations of households with financial hardship and payment trouble to the fuel assistance program. Many of these households face excessive energy burdens. In addition, high energy burden households will receive additional "priority points" as part of CSU's current protocol to target weatherization services, which will help reduce energy bills, and the need for assistance.

With the majority of served households having incomes below the poverty line, these low-income recipients are in a vulnerable position with respect to a high energy burden. The vendor population is key in referring households with high burden/payment troubles to their local fuel assistance agency. High energy users can be targeted for outreach by both vendors and agencies in the normal course of disseminating information on the program.

V. COORDINATION

• **STATUTORY REFERENCE: 2605(b)(4) COORDINATION**

DHCD's Division of Community Services (DCS) houses the Fuel Assistance and the Energy Conservation operations, as well as other related community programs, in the Community Services Unit (CSU). DCS receives funding and administers a variety of programs under the

Community Services Block Grant, via a network of Community Action Agencies. Under contract with CSU, these agencies also administer the LIHEAP program, with a few exceptions. A high degree of coordination among programs, appropriate referrals, and more complete service packages are largely ensured by the multi-faceted nature of these local agencies. (See Attachment A for Subgrantee listing). DCS works to share information, develop service capacity, and integrate resources through groups such as the Massachusetts Association of Community Action Programs (MASSCAP), the Massachusetts Energy Directors Association and the Energy Policy Advisory Group.

Within CSU, both the fuel assistance and energy conservation operations have collaborated with the LAAs to develop a single standardized Fuel Assistance/ Weatherization Assistance application form. This application, when filed for fuel assistance during the heating season, also serves as a single point of entry and certification for all energy assistance programs offered by CSU.

During Fiscal Year 2007, CSU will continue to pursue the involvement of other governmental agencies in LIHEAP administration. CSU will seek the assistance of the Social Security Administration, the State Department of Transitional Assistance and Department of Revenue in specific aspects of income verification and related eligibility information, and in the prevention of potential fraud situations. CSU will continue to work with the Department of Energy Resources (DOER) and DTE regarding rate structures and rate relief for low-income consumers and other issues concerning the major utilities. Increased involvement and a variety of strategies will be examined with utilities on issues concerning policies on discount rate programs including enrollment, alternative payment plans and retroactive program dates. CSU will continue to support the National Consumer Law Center (NCLC) in its efforts to provide quality utility rights training to the LIHEAP network. CSU staff work regularly with both the DTE and individual utilities to coordinate enrollment of LIHEAP recipients in the various subsidized rate programs, which are offered by all major utilities in the Commonwealth. For FY 07 CSU will coordinate with DTE to establish the H-EAT Program. The program will modify the Food Stamp application and re-certification forms to include language advising clients they will be auto-enrolled in a special fuel assistance program (the H-EAT program) if determined eligible.

The Residential Assistance for Families in Transition (RAFT) Program is administered by DHCD to provide financial assistance to homeless families and families at risk of becoming homeless. The RAFT Program provides short term, limited financial assistance which will enable families to retain housing, obtain new housing or otherwise avoid homelessness. DHCD contracts with nine Regional Non Profit housing agencies (RNPs) to operate the program on the local level. Eligible uses of funds include security deposits, moving expenses, utility payments, rent arrearages and other housing related expenses deemed necessary by the RNP to ensure that families moving from a shelter environment are able to obtain permanent housing. Whereas utility payments/arrearages are an eligible use of RAFT funds, DCS will ensure the coordination of the LIHEAP and RAFT Programs among the provider network. RAFT funds are intended to be used for utility payments once LIHEAP clients have received the maximum allowable benefit under the fuel assistance program.

VI. BENEFIT LEVELS

• **STATUTORY REFERENCE: 2605(b)(5), 2605 (b) (2), (b) (8A) BENEFIT LEVELS**

The statute requires that there be no difference in the treatment of households eligible because of their income and those eligible because they receive benefits under TANF, Food Stamps, SSI, or certain means-tested veterans programs (“categorically eligible”).

How do you ensure there is no difference when determining eligibility and benefit amounts?
(*This applies to all components unless specifically noted below.*)

CSU has specific income eligibility criteria outlined in the LIHEAP Administrative Guidance for Program Operators. Since the Massachusetts LIHEAP does not recognize categorical eligibility, those households that receive income from the sources mentioned above are treated the same as those households with income from any other source. The eligibility of all households is based on annualized income and family size. The benefit amount is determined in the same manner regardless of the source of income; the determining factors are family income and size and where these factors place the household in the Massachusetts LIHEAP benefit matrix.

• **STATUTORY REFERENCE: 2605(b)(5) HEATING COMPONENT**

Please check the variables you use to determine your benefit levels (check all that apply):

☒ income

☒ family (household) size

☒ home energy cost or need

☒ fuel type

☐ climate/region

☐ individual bill

☐ dwelling type

☒ energy burden (% of income spent on home energy)

☐ energy need

☒ other: funding

• **STATUTORY REFERENCE: 2605(b)(5), 2605 (c)(1)(B) Benefit Levels**

Describe how you will assure that the highest benefits go to households with the lowest incomes and the highest energy costs or needs in relation to income, taking into account family size. Please describe benefit levels or attach a copy of your payment matrix.

DHCD uses a mixture of a fixed benefit determined by poverty level with an additional benefit by fuel cost/fuel type to determine the benefit to be awarded each household. This process assures that households with the lowest income and the highest fuel costs receive the most benefits. Benefit levels are shown in Attachment B.

Do you provide in-kind (e.g., blankets, space heaters) and/or other forms of benefits?

☐ Yes ☒ No

• **STATUTORY REFERENCE: 2605(b)(5), 2605 (c) (1) (B) COOLING COMPONENT**

Not Applicable

• **STATUTORY REFERENCE: 2605(b)(5), 2605 (c) (1) (B) CRISIS COMPONENT**

Benefit Determination

How do you handle crisis situations?

☐ Separate component ☒ Other* (please explain)

*Included in regular program. (See pg. 15, CRISIS ASSISTANCE.)

If you have a separate component, how do you determine crisis assistance benefits?

☐ amount to resolve crisis up to maximum

☐ other (please describe)

Benefit levels

Please indicate the maximum benefit for each type of crisis assistance offered.

Heating **\$ 684** maximum benefit

Cooling \$ N/A maximum benefit

Year-round \$ N/A maximum benefit

Do you provide in-kind (e.g. blankets, space heaters, fans) and/or other forms of benefits?

___ Yes X No (If yes, please describe.)

STATUTORY REFERENCES 2605 (b) (5), 2605 (c) (1) (B) & (D)
WEATHERIZATION & OTHER ENERGY RELATED HOME REPAIR AND IMPROVEMENTS

What LIHEAP weatherization services/materials do you provide?

- ___ Weatherization needs assessments/audits.
- ___ Caulking, insulation storm windows etc.
- X Furnace/heating system modifications/repairs
- X Furnace replacements
- ___ Cooling efficiency modifications/repairs/replacements
- ___ Other (please describe)

Do you have a maximum LIHEAP Weatherization benefit/expenditure per household?

X Yes \$4,125 maximum benefit (\$5,325 with asbestos abatement)

Under what rules do you administer LIHEAP weatherization?

Entirely under LIHEAP rules.

Weatherization Component Guidelines

Under the Heating Emergency Assistance Retrofit Task Weatherization Assistance Program (HEARTWAP), heating system services will be provided on an as-needed basis. The services include the cleaning, tuning and evaluation of heating systems, repair and upgrade of existing components, replacement of burners and replacement of unsafe, inoperable or gravity warm air heating systems. Expenditures per home may range from \$100 for a system tune-up to \$4,125 for a heating system replacement. In addition to the direct heating system work, HEARTWAP provides up to \$1,200 for abatement of friable asbestos when replacing a heating system, and for client education in the most efficient use of the heating system. LIHEAP households are automatically eligible to receive HEARTWAP services, and are considered to have priority status for such.

NOTE: Full scale weatherization will be available to eligible LIHEAP Households through the Department of Energy's (DOE) Weatherization Assistance Program (WAP). At an average cost of \$2,100 per weatherized home, WAP will provide an energy audit, insulation of attics, walls, and perimeters, air sealing, and other measures, such as storm windows, according to CSU determined and DOE approved priorities and guidance.

The maximum allowable WAP expenditure in a home will be \$4,000 in labor and materials, with the possibility of an additional \$600 in repairs related to the successful installation of conservation measures. The majority of LIHEAP recipients are eligible for WAP services.

Energy efficiency activities are administered within the CSU and these activities are coordinated closely with LIHEAP personnel. Many of the LAAs that operate the energy efficiency programs also operate LIHEAP.

STATUTORY REFERENCE 2605(b)(6)

The state administers LIHEAP through the following local agencies:

- ☐ county welfare offices
- ☒ community action agencies (weatherization component only)
- ☒ community action agencies (heating, cooling or crisis)
- ☐ charitable organizations
- ☐ not applicable (i.e. state energy office)
- ☐ tribal office
- ☒ other, describe: local community-based organizations and municipality

Local Administering Agencies

Massachusetts currently subcontracts for local administration of Fuel Assistance with twenty-one (21) agencies, nineteen (19) of which are Community Action Agencies that are in operation under the Economic Opportunity Act of 1964. CSU reserves the right to select a Subgrantee in any service area via a Request For Response process or by designation of the Director of DHCD.

A list of designated LAAs is included as Attachment A to this Application/State Plan. A statewide distribution formula will be prepared which allocates program funds to service areas based on prior year expenditures for the area covered by the Subgrantee. A cost formula for allocation of administrative funds to the Local Administering Agency for each of the LIHEAP agencies is utilized.

Have you changed local administering agencies from last year?

☐ Yes ☒ No

VII. GENERAL PROGRAM BACKGROUND

Each year the CSU collects consumption data and conducts an annual review of heating costs for LIHEAP recipients, by fuel type, family size, and other household characteristics. The focus of the analysis is on the major heating sources of gas, oil, and electricity, which encompass close to 91% of served households in Massachusetts. Based on recent data, the results indicate that heating costs of these three sources have continued to increase over the past few years. It

should be noted that both the availability of major utility discounts (20 - 30%) for many LIHEAP households, as well as the average savings of approximately 23 cents per gallon resulting from the MOR Program, have contributed to cost-saving measures for most LIHEAP recipients. A significant number of LIHEAP households have received energy efficiency services through the WAP, HEARTWAP and gas and electric utility-funded programs which further reduce their energy burden.

Following extensive data analysis performed in 1997 and again in 2002 by the Massachusetts Institute of Social and Economic Research (MISER), an alternative benefit distribution method was established. This alternative benefit distribution method is based on factors of income and actual heating costs incurred by households. In order to ensure that benefits are targeted to households with the lowest incomes and the highest costs/needs, CSU makes the 0 to 100% of poverty group eligible for the highest heating benefit. Those with high costs and need will be eligible for an additional benefit based on actual energy billing. The latter is substantially supported by weighted averages from the MISER study.

In accordance with LIHEAP regulations and pending the availability of funds, LAAs may provide such services as needs assessment, referral, budget counseling, energy education/awareness and vendor relations as part of the ongoing servicing of eligible households. These services, under Assurance 16 of the LIHEAP statute, will be directed toward households that may be in financial/energy crisis requiring individual attention beyond the standard course of action. During FY 2006, Assurance 16 funds were increased from the current 3% up to 5%, the maximum allowable amount in accordance with the LIHEAP statute. In addition to existing Assurance 16 activities undertaken by subgrantees, the funding must be used to enhance outreach efforts to eligible customers, particularly the high risk elderly constituents. Additional funding will enable provider agencies to conduct more targeted outreach, work with utilities on issues impacting users, particularly elders, and expand education and awareness efforts. DHCD will monitor the Assurance 16 activities conducted by subgrantees to ensure compliance with funding requirements.

All households are required to complete an application for assistance and to document their income to determine eligibility. In general, households are determined eligible based on the amount of household income rather than whether it came from any particular source. Therefore, the Commonwealth does not differentiate in the provision of assistance between households described in clauses 2(A) and 2(B) under Section 2605 (b) of the LIHEAP statute. Income eligibility determinations are made in accordance with CSU's Administrative Guidance for Program Operators, which outlines certain deductions and exclusions. Mail-in recertifications for prior year recipients will aid in timely eligibility determination, and earlier payment processing. CSU has developed a comprehensive set of guidelines for the administration of the program that address intake procedures, eligibility, income verification and program benefits as well as other operational issues. CSU amended the fuel assistance application to include a listing of all potential income sources and questions concerning monthly housing expenses and real estate ownership in addition to a primary residence. CSU is committed to strengthening the eligibility determination and income verification procedures. CSU will continue to closely examine program eligibility and assets of LIHEAP applicants/recipients including a review of

applicants who own second homes who may be deemed ineligible if it is determined that the second home is not “essential to self-support.”. Also under review will be business owners whose gross receipts/revenue exceed \$250K per year.

In keeping with the statutory requirement that payments be made in a timely manner, Massachusetts will require its LAAs to pay vendors within thirty (30) days of receipt of an authorized bill for payment, unless otherwise negotiated with the vendor. This timetable applies to vendor payments regardless of their regulated or non-regulated status.

Service for all eligible clients in emergency situations shall be provided within an 18-hour timeframe as specified in the statute. CSU has updated the poverty guidelines for the FY 2007 program year. Poverty guidelines will not be updated again until the beginning of the FY 2008 program year.

The CSU prescribed method for determining eligibility based on income, household size and housing situation provides equitable treatment for all applicant households. In keeping with the legislative mandate that higher benefit levels be available for households with the highest energy costs or needs in relation to income, an eligibility matrix has been developed on the basis of income ranges.

The income ranges are as follows:

A. For Fuel Assistance/Crisis:

- 1) Households at or below 100% of federal poverty level.
- 2) Households at or below 125% of federal poverty level.
- 3) Households at or below 150% of federal poverty level.
- 4) Households up to 200%, limited to 60% of the state median income.

B. For Weatherization (HEARTWAP) Assistance:

- 1) Households up to 200% of the federal poverty level, limited to 60% of the state median income.

NOTE: *All benefit levels are preliminary and subject to change based on final LIHEAP budget and availability of federal funds.*

• **STATUTORY REFERENCE: 2605(c)(1)(E) ADDITIONAL STEPS TO BE TAKEN TO TARGET ASSISTANCE TO HOUSEHOLDS WITH HIGH ENERGY BURDENS** (This applies to all components. If all steps to target households with high home energy burdens are described elsewhere in the plan, no further information is required here.)

• **STATUTORY REFERENCE: 2605(b)(7) Energy Suppliers**
Do you make payments directly to home energy suppliers?

FY 2007 LIHEAP DRAFT STATE PLAN

Heating _____ Yes X No

Cooling _____ Yes X No

Crisis _____ Yes X No

If Yes, are there exceptions? _____ Yes _____ No

If Yes, please describe.

** **NOTE:** .Payments are issued by Subgrantee agencies and Subgrantee agencies will pay home energy suppliers directly. To ensure effectiveness of payments, Massachusetts LIHEAP is primarily a vendor payment program. However, the Commonwealth recognizes that, in some instances, vendor payment for heating assistance may not be feasible.*

Payments directly to clients are allowed only in the following instances (unless a written waiver is granted by CSU):

A) When an eligible tenant's heat is included in rent;

OR

B) When a client's vendor refuses to sign the Vendor Agreement to participate in LIHEAP and the client cannot obtain an alternative supplier;

OR

C) When a Subgrantee does not have a vendor agreement with the vendor under circumstances approved by CSU;

OR

D) When a client who shares a primary heating system is unable to obtain delivery. (If it is necessary to estimate the cost of the first delivery of the program to such a household, a reasonable estimated payment can be made to the client. The client must provide a paid delivery ticket or invoice as proof of payment of the prior delivery before each subsequent payment may be made. Should a vendor still refuse to deliver, a two-party check to client and vendor may be used as a last resort.);

OR

E) When a client shares a heating system with his/her landlord whose oil vendor is not participating in the MOR program and the client pays the landlord for half of each oil delivery;

OR

F) When a client shares an oil tank with another person who does not receive LIHEAP benefits.

• **STATUTORY REFERENCE: 2605(b)(7) (A)**

If you make payments directly to home energy suppliers, how do you notify the client of the amount of assistance paid? (Please describe)

The LIHEAP Administrative Guidance requires **subgrantees** to notify clients of all payments made on their behalf within specific time frames. Written notification, preferably in the form of a statement containing billing, total value of payments and balances must be sent to recipients at least once a year upon exhaustion of benefits, or according to an established schedule as stipulated in the Massachusetts LIHEAP Administrative Guidance.

• **STATUTORY REFERENCE: 2605(b)(7) (B) & (C)**

How do you make sure the home energy supplier performs what is required in this assurance? If vendor agreements are used, they may be attached. Indicate each component for which this description applies.

A vendor agreement, required by CSU and implemented via the **Subgrantee**, contains assurances as to fair billing practices, delivery procedures, and pricing procedures for business transactions involving LIHEAP recipients. These agreements are subject to monitoring procedures performed by either Subgrantee or CSU Staff. This Agreement signed by all vendors, states that the vendor will not discriminate against the certified (LIHEAP) customer in prices or services and provides that the vendor will make deliveries/supply services in accordance with normal business practice.

The vendor agreement also ensures the supplier will offer the full range of credit, deferred payment, budget, level payment and other credit plans, which will help minimize the risks of home energy crises and encourage regular payment by LIHEAP recipients. Vendor agreements are attached to this plan.

In addition, the majority of unregulated vendors (Heating Oil Dealers) are required to participate in CSU's MOR Pricing Program if they wish to receive vendor payments. This discounting effort increases the "purchasing power" of the recipients' cash benefit, thereby helping to alleviate the energy burden of those households.

CSU will undertake a review of program policies and contracts to ensure that both subgrantees and vendors adhere to the program administrative guidelines. CSU will continue to work with individual utilities to coordinate enrollment on discount rate programs, eligibility, customer service, automation and other LIHEAP-related matters.

• **STATUTORY REFERENCE: 2605(b)(8) (B) OWNERS AND RENTERS**

Is there any difference in the way owners and renters are treated? If yes, please describe.

HEATING ASSISTANCE

 X Yes No

Heating benefits paid to renters are affected by a number of factors, including the following:

- Type of rental (subsidized vs. non-subsidized)
- Inclusion of heating in rental payment
- Responsibility for heat and/or energy utilities payment

In an effort to appropriately target benefits to households with the lowest income and highest energy burden, CSU will recognize individual rental situations as outlined below for purposes of benefit distribution/eligibility.

Eligibility of Renters

Renters who bear an energy burden in relation to gross income may be eligible for LIHEAP benefits. The eligibility of renters can be categorized in two ways:

1. Renters who pay the full cost of their heat
 - a. Non-subsidized renters are eligible for the full benefit paid to the heating vendor.
 - b. Subsidized renters are in two categories:
 - i. Renters with a State subsidy (MRVP, AHVP, Chapter 200, 667, 689) are eligible for a full benefit paid to vendor.
 - ii. Renters with a Federal subsidy (HCVP/Section 8):
 - a. If the monthly rent is more than 30% of LIHEAP gross monthly income, the applicant is eligible for a full benefit paid to vendor.
 - b. If the monthly rent is 30% or less of LIHEAP gross monthly income, the applicant is eligible for a subsidized benefit paid to vendor.
2. Renters with the cost of heat included in the rent
 - a. Non-subsidized renters are eligible for a full benefit (30% of the rent paid directly to the household).
 - b. Subsidized renters are in two categories.
 - i. Renters with a State subsidy (MRVP, AHVP, Chapter 200, 667, 689):
 - a. If the monthly rent is more than 30% of LIHEAP gross monthly income, the household is eligible for a full benefit (30% of the rent paid directly to the household).
 - b. If the monthly rent is 30% or less of LIHEAP gross monthly income, the household is ineligible.
 - ii. Renters with a Federal subsidy (HCVP/Section 8):
 - a. If the monthly rent is more than 30% of LIHEAP gross monthly income, the household is eligible for a subsidized benefit (30% of the rent paid directly to the household).
 - b. If the monthly rent is 30% or less of LIHEAP gross monthly income, the household is ineligible.

COOLING ASSISTANCE

Is there any difference in the way owners and renters are treated?

☐ Yes ☐ No ☒ N/A

CRISIS ASSISTANCE

Is there any difference in the way owners and renters are treated?

☐ Yes ☒ No

WEATHERIZATION ASSISTANCE

Is there any difference in the way owners and renters are treated?

☒ Yes ☐ No

All LIHEAP fuel assistance recipients up to 200% of the federal poverty level, limited to 60% of the state median income, are automatically income eligible for benefits under the heating system assistance program, HEARTWAP. However; since the Massachusetts State Sanitary Health Code requires landlords to maintain an operable and safe heating system for their tenants, HEARTWAP places some restrictions on tenant services. LIHEAP eligible tenants with LIHEAP eligible landlords are eligible for the full array of HEARTWAP services. Tenants receiving weatherization are ensured of receiving those benefits through a comprehensive tenant/landlord agreement. All households, regardless of ownership status, are eligible for referral to WAP and a variety of utility funded conservation programs and receive the benefits of those programs.

• STATUTORY REFERENCE: 2605(b)(10) PROGRAM AND FISCAL MONITORING AND AUDIT

How do you ensure good fiscal accounting and tracking of LIHEAP funds? (Please describe. Include a description of how you monitor fiscal activities)

How do you monitor program activities? (Please be sure to include a description of how you monitor eligibility and benefit determination.)

The DCS Financial and Compliance Unit (FCU) and Community Services Unit (CSU) perform fiscal and program monitoring respectively, on an annual basis. CSU will continue to review/modify program monitoring procedures to ensure compliance by provider agencies, and that the most significant program and compliance issues are being addressed.

In addition to the regular FCU/CSU fiscal and program assessments, CSU conducted post-audit reviews as a component of its monitoring system. The post-audit review is designed to address eligibility, accountability and policy issues, and to ensure compliance with administrative guidelines. In 2006, the post-audit reviews were conducted for FY 2005 and CSU will continue this process for FY 2006. As a result of the Post Audit reviews, the FY 07 LIHEAP

program will include modifications and a closer review of specific areas that include: zero income applicants, lump sum income sources, self-employment, documentation of housing costs, ownership of second homes, utilization of the wage match system, conflict of interest policy, and timeframe for application certification.

Joint monitoring includes, but is not limited to inspecting and reviewing client records, administrative procedures and expenditures, vendor payments, requests for disbursement of funds, and other LIHEAP program-related activities. Written reports will be filed documenting the results or findings of each visit. The visits and reports will state results of compliance reviews, outline operational strengths, identify observed weaknesses, and as appropriate, note required corrective actions and timeframes for implementation.

DHCD has introduced an annual application/outcome planning process. DHCD will work closely with subgrantee agency planners, LIHEAP directors, and/or other staff to develop a LIHEAP work plan for the upcoming fiscal year. After DHCD's approval, the work plan document will be incorporated into the fiscal year 2007 LIHEAP contract. During the program year, each LIHEAP grantee will be required to submit an annual program progress report based on their work plan. During on site monitoring, DCS will monitor progress toward meeting each LIHEAP agency's work plan goals.

In the event suspension or termination of any agency's services is required, the grant agreement with the LAA delineates the specific suspension and termination procedures to be followed.

How is your LIHEAP Program audited:

Under the Single Audit Act? X Yes No

If not, please describe:

DHCD complies with the Single Audit Act requirements and is audited annually on its expenditures of amounts received under this Title to carry out the purposes of LIHEAP. DHCD submits an annual financial status report on how LIHEAP funds are used. In addition, LAAs are required annually to submit the OMB Circular A-133 audit.

For States and Territories:

Is there an annual audit of local administering agencies? X Yes No

If not, please explain.

Massachusetts has a financial system appropriate to safeguard federal funds and requires the LAAs to submit certified audit reports.

• STATUTORY REFERENCE: 2605(b)(12), 2605(a)(2) TIMELY AND MEANINGFUL PUBLIC PARTICIPATION AND PUBLIC HEARINGS

How did you get timely and meaningful public participation in the development of the plan? (Please describe)

In an effort to create opportunities for on-going dialogue and feedback concerning the impact of program modifications, a LIHEAP Advisory Group was assembled by DHCD to review

proposed modifications to the program including asset limits/threshold, categorical eligibility, partnerships with utilities, Assurance 16 activities and other subject areas deemed appropriate. Proposed modifications to the Fiscal Year 2007 LIHEAP were presented to the Advisory Group in June, 2006. The proposed program modifications were based largely on the recommendations of the Advisory Group to DHCD. The Advisory Group is comprised of representatives from the LIHEAP provider agency network, community action trade association, consumer legal and elderly advocacy and DHCD. Work with the Advisory Group has proven to be productive and invaluable in providing constructive suggestions and support. As a result, the Group will continue to serve in an advisory capacity. In addition, the Energy Policy Advisory Group will continue to provide input and direction during the program year.

Did you conduct public hearings on the proposed use and distribution of your LIHEAP funds? When and where?

☒ **X** **Yes** ☐ **No**

As part of its overall public review process, the proposed State Plan was released in July to LAAs/provider agencies, Energy Policy Advisory Group, Massachusetts Energy Directors Association and other interested parties. To ensure meaningful public participation in the development of the Plan, DHCD conducted a preliminary hearing on June 29, 2006 to discuss proposed modifications to LIHEAP.

A formal Public Hearing was held on August 1, 2006 in Boston, MA during which both oral and written comments were received and recorded via transcripts. Notice of the public hearing was advertised in newspapers across Massachusetts and sent to interested parties. All comments made throughout the review process are considered in completing the document.

• STATUTORY REFERENCE: 2605(b)(13) FAIR HEARINGS

Describe your fair hearing procedures for households whose applications are denied or not acted on in a timely manner. When are applicants informed of these rights?

Massachusetts requires that an LAA notify all applicants/clients of their right to appeal specific LAA decisions in the heating assistance/crisis assistance and energy conservation programs. Notification of these rights must be given:

1. When the applicant/client first applies for assistance (in the printed statement on the application);
2. When the LAA provides an applicant/client with a notice of either eligibility or ineligibility; and
3. When the LAA issues a final decision of denial on an appeal.

The appeals process requires applicants/clients initially to appeal to the LAA, and offers the opportunity to appeal to DHCD/CSU if the applicant/client is not satisfied with the decision issued by the LAA. Appeals must be made to the LAA, on a form provided by the LAA,

within twenty (20) working days of receipt of any notice of eligibility or ineligibility.

Applicants/clients can also request an appeal, on a form provided by the LAA, if they have not been notified of their application status within forty (40) days of the date of application.

The LAA will convene an informal, face-to-face hearing with an applicant/client when an applicant/client requests such a hearing, or when the LAA deems such a hearing to be necessary.

Within twenty (20) working days of receiving an appeal, the LAA must:

1. Schedule a hearing if a hearing has been requested by the applicant/client or has been deemed necessary by the LAA. Notice establishing the date, time and location of the hearing shall be sent to the applicant/client or the applicant/client's representative.
2. In all other cases,
 - a. Review and reconsider the applicant/client's application, including the possibility of obtaining additional income or other documentation;
 - b. Reach a decision on the case; and
 - c. Notify the applicant/client of the final decision in writing, along with notice of the applicant/client's right to and procedures for appeal to DHCD.

Within ten (10) working days of a hearing, the LAA shall

1. Reach a decision on the case; and
2. Notify the applicant/client of the final decision in writing, along with notice of the applicant/client's right to and procedures for appeal to DHCD.

Appeals to DHCD of LAA decisions will be handled by CSU's Appeals Officer.

Applicants/clients must appeal, in writing, to DHCD within 20 working days of the final LAA decision that includes the notice of appeal rights. The Appeals Officer will review all applicant/client files and information pertinent to the appeal, and will notify the applicant/client and the LAA of the decision in writing (within 20 working days of receipt of the appeal). This decision will include notification to the applicant/client of the right to seek and the time for seeking judicial review of DHCD's decision.

The timeframe for filing appeals is:

- Appeals to Local Administering Agency - November 1, 2006 to June 22, 2007
Appeal to CSU of an LAA Decision - November 1, 2006 to August 24, 2007

• **STATUTORY REFERENCES 2605 (b) (15) ALTERNATE OUTREACH AND INTAKE**

Does the State agency that administers the following LIHEAP component also administer the State's welfare program?

HEATING ASSISTANCE: ☐ Yes ☒ No

COOLING ASSISTANCE: ___ Yes X No

CRISIS ASSISTANCE: ___ Yes X No

As the Massachusetts LIHEAP program is operated under contract with local governmental entities or community-based organizations, both outreach and intake functions are primarily provided through this network. This is in addition to any services offered by the State Department of Transitional Assistance.

• **STATUTORY REFERENCES 2605 (b) (16)**

Do you use LIHEAP funds to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance?

X Yes ___ No

If yes, please describe these activities.

- Needs Assessment (including high energy data collection).
- Counseling
- Assistance with Energy Vendors (shut offs, arrearages, budget plans)
- Fast track Emergency Service
- Referral to Energy Conservation Services including utility conservation programs

If Yes, how do you ensure that you don't use more than 5% (statutory ceiling) of your LIHEAP funds for these activities?

It is included in each agency's budget allocation.

VIII. LEVERAGING ACTIVITIES

• **STATUTORY REFERENCE: 2607(A) LEVERAGING**

Please describe leveraging activities planned for the fiscal year. (This entry is optional*

Complete this entry if you plan to apply for LIHEAP leveraging incentive funds and to include in your leveraging report resources/benefits provided to low income households this fiscal year under criterion (iii) in 45 CFR 96.87(d)(2). Provide the following information for each:

- (1) Identify and described each resource/benefit;**
- (2) Identify the source(s) of each resource; and**
- (3) Describe the integration/coordination of each resource/benefit with the LIHEAP program, consistent with 1 or more of conditions A-H in 45 CFR 96.87 (d)(2)(iii).**

*** Leveraged resources/benefits that are counted under criterion (iii) in 45 CFR 96.87(d)(2) must be identified and described in the grantee's LIHEAP plan and distributed as indicated in the plan. In addition, leveraging resources/benefits that are counted under criterion (ii) must be carried out under one or more components of the grantee's regular LIHEAP program.**

CSU has identified and/or developed a wide range of non-federal resources that will supplement energy benefits for low-income households. These benefits are offered in the form of savings, discounts, and direct cash assistance.

Although income eligibility for these programs may vary, all participating households would qualify under federal income guidelines for LIHEAP. The following are brief descriptions of the primary resources that are integrated into the LIHEAP program, directly or indirectly:

1. Margin-Over-Rack Oil Discount

The State LIHEAP Program developed the MOR program to provide home energy discounts through establishment of a maximum per gallon price for heating oil for all LIHEAP households. The CSU LIHEAP personnel calculate the weekly maximum price based on average terminal prices and issues it to the local Subgrantee agencies operating the MOR program

Oil vendors are required by contract to submit delivery tickets with their current retail price. This information is entered into each Subgrantee's database. The software programs used by Subgrantee agencies are designed to compare the retail price of oil and the MOR price for the date of delivery. The lesser of the two is paid to the vendor. The difference between the two is considered the savings generated. Both prices are maintained in the database for reporting purposes. Subgrantee agencies provide the state LIHEAP office with a monthly report detailing the amount of gallons delivered to households, the actual retail price for the oil delivered, the MOR price paid for the deliveries, and the difference or savings by vendor.

2. Community Action, Inc. (CAI) Oil Bid Project

In eleven (11) cities and towns in Northeastern Massachusetts, home energy discounts are achieved through a competitive bidding process for oil deliveries to LIHEAP households. Successful bidders agree to make delivery to LIHEAP households based on a set margin above the average wholesale price of oil. Similar to the MOR program, CAI calculates the weekly bid price from daily average terminal prices. There is a similar process for kerosene in six (6) cities and towns served by CAI where kerosene is widely used.

Clients are not required to accept delivery from a participating "bid vendor". If they choose to take delivery from another vendor, benefits are paid directly to the client based on the BID PRICE regardless of the price charged by the vendor. Pricing information from these vendors is maintained on file.

The savings are calculated by comparing the average retail price per gallon with the average bid price per gallon to achieve an average savings per gallon. This figure is then multiplied by the number of gallons delivered by the vendor to arrive at a savings figure by vendor. The bid vendor savings are calculated by taking the difference between the average bid price per gallon and the average retail price per gallon and multiplying by the number of gallons delivered by each bid vendor.

3. Low Income Utility Discount Rates

Beginning in 1988, DHCD aggressively pursued and supported a low-income utility discount rate for LIHEAP clients and other targeted low-income groups.

State LIHEAP officials were involved in the rate filings with the DTE encompassing negotiations and testimony in some cases, with a resultant outcome being the introduction of low-income rates for targeted households. Company officials sought the guidance and expertise of LIHEAP staff during and after these rate filings.

The major gas and electric utilities in Massachusetts offer lower rates to public assistance, fuel assistance, and/or other limited income households. All households eligible for the discount are eligible under the federal standards set by section 2605(b)(2) of Public Law 97-35 (42 USC 8624(b)(2)). DHCD and the local fuel assistance network have been instrumental in the introduction of these rates via negotiation/participation in DTE proceedings as well as advocating with individual utilities. The network also plays a large part in the enrollment and certification of fuel assistance households to receive benefits for utility discount rates. In FY 2005, the amount of available utility discounts exceeded \$42 million.

4. Local/Statewide Fuel Funds

In at least two (2) examples (City of Westfield and City of Chicopee), non-federal funding resources are made available to fuel assistance and other limited income households to offset energy bills. Payments are made directly to vendors on behalf of the eligible households for payment of fuel bills. The Westfield Warm Funds and the Chicopee Light Caring Fund solicit private, non-federal funds on an annual basis. Local fuel funds are managed by LIHEAP Subgrantees in a similar manner. These programs serve households who are in need of additional assistance beyond their LIHEAP benefit and households at or below 200% of the poverty level, which is lower than 60% of the State's median income.

In addition, the LIHEAP network works very closely with the Good Neighbor Energy Fund - a statewide fund supported by utilities and private contributions. Households whose income falls between a specified percent of the federal poverty income guidelines, but not eligible for the State LIHEAP Program, are served by the Fund, with up to \$275 in direct vendor payment benefits. Referrals are made by the 21 LIHEAP provider agencies.

Another resource comes from the Special Fund operated by the United Way of Massachusetts Bay. Monies allotted to the Fund can assist households with energy emergencies in the form of

oil deliveries or utility payments. Again, households at or below 60% of the State's median income are eligible for assistance, as are households whose LIHEAP benefit were not sufficient to meet their home energy needs. The referrals are made by the 21 LIHEAP Subgrantee agencies.

5. Weatherization Support

CSU will also count resources contributed to weatherization and energy conservation programs as a supplement to DOE/LIHEAP efforts. These include in-kind contributions and funding from utility companies, property owners and contractors. The resource is available throughout the State and operated through the Subgrantee agencies operating the LIHEAP/WAP programs. The eligibility level for households is 200% of poverty for electric and gas utilities. The CSU has mandated certain landlord contributions and the Subgrantee agencies negotiate directly, under the auspices of the CSU, with utility companies for demand side management funds.

6. Town of Dennis Fuel Fund

The South Shore Community Action Council (SSCAC), the local operator serving the Town of Dennis, worked with the Town in developing a fuel fund for town residents. The program operates through SSCAC and is targeted to LIHEAP households under 150% of poverty. SSCAC determines eligibility for the program, which provides additional assistance beyond the LIHEAP benefit.

7. State Supplemental Funding

For FY 06, the Massachusetts legislation included an additional \$20 million in funding available to needy Massachusetts residents through the Low Income Home Energy Assistance Program. In FY 05, state supplemental funding included \$7.5 million.

• **STATUTORY REFERENCES 2605 (b) PERFORMANCE GOALS AND MEASURES**

**Please describe performance goals and measures planned for the fiscal year.
(This entry is optional.)**

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

Goals and Outcome Measures

***GOAL A - LOW INCOME PEOPLE, ESPECIALLY VULNERABLE
POPULATIONS, ACHIEVE THEIR POTENTIAL BY STRENGTHENING FAMILY
AND OTHER SUPPORTIVE SYSTEMS***

Outcome Measures

1. The number of low-income individuals or families served by Community Action that

sought emergency assistance and the % of those households for which assistance was provided including LIHEAP (National Indicator – 6.2).

2. Number of vulnerable population¹ showing improvement as a result of receiving LIHEAP assistance or benefit.
3. Number of clients showing improvement² as a result of emergency services received.
4. Number of households³ in crisis whose emergency needs are ameliorated due to LIHEAP assistance or benefit.
5. Number of high consumption households realizing a reduction in energy burden⁴ as a result of receiving LIHEAP assistance or benefit.
6. Number of households⁵ for which LIHEAP assistance avoids a loss of energy service.
7. Number of LIHEAP recipients making regular payments to energy suppliers as a result of financial counseling.
8. Number of Housing Assistance Program (HAP) clients who are prevented from becoming homeless⁶.
9. Number of Housing Assistance Program (HAP) clients who maintain housing for more than six months⁷.
10. Number of LIHEAP recipient households who received low/no cost energy related home repair through WAP and/or HEARTWAP programs⁸.
11. Number of clients whose energy burden was reduced due to LIHEAP in combination with other energy resources, e.g., utility discounts.

¹ Households with at-least one elderly member and/or with children under 5 years of age and disabled.

² Health and safety and other energy-related adverse condition.

³ Can be used for all LIHEAP clients.

⁴ Energy Burden is defined as residential energy expenditures divided by income.

⁵ For LIHEAP emergency clients.

⁶ For in-house Housing Assistance Program (HAP).

⁷ For in-house Housing Assistance Program (HAP).

⁸ For in-house WAP and HEARTWAP programs.

12. Number of LIHEAP households who completed financial assistance/counseling sessions.

GOAL B - THE CONDITIONS IN WHICH LOW INCOME PEOPLE LIVE ARE IMPROVED

Outcome Measures

1. An increase in targeting LIHEAP recipient households having at least one member 60 years or older compared to non-vulnerable LIHEAP recipient households.
2. An increase in targeting LIHEAP recipient households having at least one member 5 years or under compared to non-vulnerable LIHEAP recipient households.
3. An increase in targeting LIHEAP recipient households having at least one member who is disabled compared to non-vulnerable LIHEAP recipient households.
4. Number of LIHEAP agencies where customers served accurately represents the ethnic diversity of the service territory.
5. Number of new intake or volunteer sites opened that resulted in an increase in access for potential LIHEAP eligible households.
6. Number of potential LIHEAP applicants who have increased access to energy services due to operation of a new intake or volunteer site.
7. Number of new partnerships⁹ developed with other service providers to increase access to energy services.
8. Number of partnerships maintained with other public and private entities to increase/maintain energy services.

GOAL C – AGENCIES INCREASE THEIR CAPACITY

Outcome Measures

1. Number of wage matching completed for LIHEAP clients as compared to the previous fiscal year.
2. Total number of LIHEAP applicants whose status was determined prior to the beginning of the program year.
3. An increase in the total dollar value of non-LIHEAP energy assistance resources.
4. Increase in proportion of federal funds allocated for meeting emergency and long-term needs of the low-income population.
5. Amount of energy-related investment¹⁰ brought into the community by the network and targeted to

⁹ As evidenced by verbal or written agreements, Memorandum of Understanding, contracts, etc.

¹⁰ Funds from local banks, Fuel Funds, local government, etc.

6. Number of people who are referred to non-LIHEAP energy-related programs.¹¹

¹¹ Salvation Army, *Joe for Oil*, FEMA, United Way, etc.